

**TOWN OF GAGE
ELLIS COUNTY, OKLAHOMA**

**AGREED UPON PROCEDURE REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2014**

WILLIAM K GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF GAGE
ELLIS COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

July 2012 to April 2013:

Richard Chapman
Gary Wolfington
Troy Long
Leon Woods
Carol Froage

Mayor
Vice-Mayor
Trustee
Trustee
Trustee

Virginia Mann
Laurie Hays-Thompson

Town Clerk/Treasurer
Town Attorney

WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT

121 S. NOBLE AVE. – P. O. BOX 181
PHONE 580-623-5071

WATONGA, OKLAHOMA 73772
FAX 580-623-5072

WGAUER@GAUERCPA.MYGBIZ.COM

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Gage
Gage, Oklahoma

Trustees of the Gage Public Facilities Authority
Gage, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Gage and Public Trusts, Gage, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Facilities Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**
(Continued)

Town of Gage and Public Trust
Page

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Trusts Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Gage is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Gage** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Town of Gage and Public Trust
Page

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Gage Public Facilities Authority**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**
(Continued)

Town of Gage and Public Trust
Page

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the Town of Gage and Public Authorities' Grant Programs, as of and for the fiscal year ended June 30, 2014:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: Grant schedule of activity needs to include CFDA and other identifying contract numbers or information.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2014

Exhibit A
Town of Gage
Summary of Changes in Fund Balances - Cash Basis
For the Year Ended June 30, 2014
(Unaudited)

	Beginning of Year	Current Year Change		End of Year
	Fund Balances	Receipts	Disbursements	Fund Balances
TOWN:				
Governmental Fund Types:				
General Fund				
Checking	\$ 108,218	\$ 306,553	\$ 283,343	\$ 131,429
Savings	188	0	-	188
Savings, Sales Tax Reserve	75,018	75	-	75,092
Certificate of Deposit	195,000	683	683	195,000
Total General Fund	378,423	307,312	284,026	401,709
Municipal Court Fund	3,392	3,306	526	6,173
Total Governmental Fund Types	381,816	310,618	284,552	407,882
Special Revenue Fund Types:				
Library Fund	231	25	56	200
Fire Department Fund				
Checking	2,079	28,402	21,521	8,960
Savings	18,465	216	16,585	2,096
Certificate of Deposits	21,368	96	-	21,464
Total Fire Department Fund	41,912	28,714	38,106	32,520
REAP Grant Fund	-	-	-	-
Cemetery Fund:				
Checking	5,958	6,031	1,200	10,789
Certificate of Deposit	-	20,260	-	20,260
Total Special Revenue Fund Types	48,101	55,030	39,362	63,769
Capital Project Fund Types:				
Airport Improvement Fund				
Checking	13,553	105,255	117,738	1,070
Savings	76,263	322	2,000	74,585
Certificate of Deposits	177,563	482	-	178,046
Total Airport Improvement Fund	267,380	106,059	119,738	253,701
Sewer Savings Fund	12,681	1,663	-	14,345
Total Capital Project Fund Types:	280,061	107,723	119,738	268,046
Town Subtotal	709,978	473,370	443,651	739,697
PUBLIC FACILITIES AUTHORITY:				
PFA Utilities Fund	3,986	150,263	150,333	3,917
PFA Meter Fund	-	5,960	1,397	4,563
PFA Capital Asset (Fixed Assets)	350,959	-	-	350,959
PFA Subtotal	354,945	156,223	151,730	359,439
Overall Totals	\$ 1,064,923	\$ 629,593	\$ 595,381	\$ 1,099,135

Exhibit B
Town of Gage
Budgetary Comparison Schedule General Fund - Cash Basis
For the Year Ended June 30, 2014
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (Inflows):				
Taxes:				
Sales Taxes	75,000	75,000	71,452	(3,548)
Franchise Tax	15,000	15,000	15,699	699
Use Tax	2,500	2,500	1,315	(1,185)
Tobacco Tax	750	750	781	31
Total Taxes	93,250	93,250	89,246	(4,004)
Intergovernmental:				
Motor Vehicle Tax	2,750	2,750	3,233	483
Alcoholic Beverage Tax	1,500	1,500	19,317	17,817
Gas Excise Tax	750	750	-	(750)
Grants	-	-	-	-
Total Intergovernmental	5,000	5,000	22,550	17,550
Investment Income	1,500	1,500	902	(598)
Miscellaneous Income				
Rental	12,500	12,500	24,292	11,792
Royalty	600	600	4,484	3,884
Cemetery	-	-	-	-
Donations	700	700	6,580	5,880
Fines	-	-	2,233	-
Miscellaneous	3,320	3,320	20,834	17,514
Total Miscellaneous Income	17,120	17,120	58,423	39,070
Other Financing Sources:				
Transfer from GFA	90,250	90,250	135,432	45,182
Transfer From Prior Years Surplus	135,000	135,000	378,498	243,498
Transfer from Municipal Court Fund	-	-	-	-
Transfer from Airport Improvement Fund	-	-	-	-
Amounts available for appropriations	342,120	342,120	685,051	340,698
General Government:				
Personal Services	150,000	150,000	100,889	(49,111)
Maintenance and Operations	135,000	135,000	172,777	37,777
Reserves	75,000	75,000	-	(75,000)
Contract Services	40,000	40,000	9,676	(30,324)
Capital Outlay	25,000	25,000	-	(25,000)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	425,000	425,000	283,343	(141,657)
Ending Budgetary Fund Balance	\$ (82,880)	\$ (82,880)	\$ 401,709	\$ 482,356

Exhibit C
Gage Public Facilities Authority
Budgetary Comparison Schedule Public Facilities Fund - Cash Basis
For the Year Ended June 30, 2014
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (Inflows):				
Charges for Services:				
Water Sales	24,150	24,150	80,106	55,956
Trash Removal	21,427	21,427	50,713	29,286
Sewer Sales	17,131	17,131	30,637	13,506
Late Fees	2,118	2,118	3,353	1,235
Savings, Sales Tax Reserve				
Total Charges	64,826	64,826	164,810	99,984
Investment Income	22	22	19	(3)
Miscellaneous Income				
DEQ Reimbursement	-	-	-	-
Deposits Received	-	-	-	-
Returned Checks	-	-	-	-
Total Miscellaneous Income	-	-	-	-
Other Financing Sources:				
Transfer from Prior Years Surplus	-	-	3,986	3,986
Transfer from Other Funds	-	-	5,960	5,960
Amounts available for appropriations	64,848	64,848	174,775	109,927
			150,263	
General Government:				
Personal Services	-	-	1,969	1,969
Maintenance and Operations	-	-	33,457	33,457
Contract Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Financing Uses:				
Transfers to General Fund	61,606	61,606	135,432	73,826
Total Charges to Appropriations	61,606	61,606	170,858	109,252
Ending Budgetary Fund Balance	\$ 3,242	\$ 3,242	\$ 3,917	\$ 675

Exhibit D
Town of Gage
Budgetary Comparison Schedule Airport Improvement Fund - Cash Basis
For the Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Resources (Inflows):				<u>Positive (Negative)</u>
Investment Income	-	-	805	805
Miscellaneous Income				
FAA Grant	-	-	103,255	103,255
Reimbursement	-	-	-	-
Miscellaneous	-	-	-	-
Total Miscellaneous Income	-	-	103,255	103,255
Other Financing Sources:				
Transfer from Prior Years Surplus	-	-	267,380	267,380
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	-	-	371,439	371,439
General Government:				
Personal Services	-	-	-	-
Maintenance and Operations	-	-	-	-
Contract Services	-	-	-	-
Capital Outlay	-	-	117,738	117,738
Other Financing Uses:				
Transfers to General Fund	-	-	-	-
Total Charges to Appropriations	-	-	117,738	117,738
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,701</u>	<u>\$ 253,701</u>

Exhibit E
Town of Gage
Statement of Grant Receipts and Disbursements - Cash Basis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:				
OEDA REAP Grants				
OEDA Reap #13-13		\$ -	\$ -	-
OEDA Reap #14-13	-	-	-	-
Federal Aviation Administration				
Airport Grants	-	73,331	73,331	-
Airport Grants	-	29,927	29,927	-
Department of Agriculture	-	-	-	-
Town Subtotal	<u>-</u>	<u>103,258</u>	<u>103,258</u>	<u>-</u>
PUBLIC FACILITIES AUTHORITY:				
	-	-	-	\$ -
PFA Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ -</u>	<u>\$ 103,258</u>	<u>\$ 103,258</u>	<u>\$ -</u>